

2008

Withholding Exemption Certificate

(This form can only be used to certify exemption from nonresident withholding under California R&TC Section 18662. This form cannot be used for exemption from wage withholding.)

590**File this form with your withholding agent.** (Please type or print)

Withholding agent's name _____

Vendor/Payee's name _____

Vendor/Payee's ☐ SSN or ITIN
☐ SOS file no. ☐ CA corp. no. ☐ FEIN

Address (including number and street, PO Box, or PMB no.) _____

Apt. no./ Ste. no. _____

City _____ State _____ ZIP Code _____

I certify that for the reasons checked below, the entity or individual named on this form is exempt from the California income tax withholding requirement on payment(s) made to the entity or individual. Read the following carefully and check the box that applies to the vendor/payee.

☐ **Individuals — Certification of Residency:**

I am a resident of California and I reside at the address shown above. If I become a nonresident at any time, I will promptly notify the withholding agent. See instructions for General Information D, Who is a Resident, for the definition of a resident.

☐ **Corporations:**

The above-named corporation has a permanent place of business in California at the address shown above or is qualified through the California Secretary of State to do business in California. The corporation will file a California tax return and withhold on payments of California source income to nonresidents when required. If this corporation ceases to have a permanent place of business in California or ceases to do any of the above, I will promptly notify the withholding agent. See instructions for General Information E, What is a Permanent Place of Business, for the definition of permanent place of business.

☐ **Partnerships:**

The above-named partnership has a permanent place of business in California at the address shown above or is registered with the California Secretary of State (SOS), and is subject to the laws of California. The partnership will file a California tax return and will withhold on foreign and domestic nonresident partners when required. If the partnership ceases to do any of the above, I will promptly inform the withholding agent. For withholding purposes, a Limited Liability Partnership (LLP) is treated like any other partnership.

☐ **Limited Liability Companies (LLC):**

The above-named LLC has a permanent place of business in California at the address shown above or is registered with the California Secretary of State, and is subject to the laws of California. The LLC will file a California tax return and will withhold on foreign and domestic nonresident members when required. If the LLC ceases to do any of the above, I will promptly notify the withholding agent.

☐ **Tax-Exempt Entities:**

The above-named entity is exempt from tax under California R&TC Section 23701 _____ (insert letter) or Internal Revenue Code Section 501(c) _____ (insert number). The tax-exempt entity will withhold on payments of California source income to nonresidents when required. If this entity ceases to be exempt from tax, I will promptly notify the withholding agent. Individuals cannot be tax-exempt entities.

☐ **Insurance Companies, IRAs, or Qualified Pension/Profit Sharing Plans:**

The above-named entity is an insurance company, IRA, or a federally qualified pension or profit-sharing plan.

☐ **California Trusts:**

At least one trustee of the above-named trust is a California resident. The trust will file a California fiduciary tax return and will withhold on foreign and domestic nonresident beneficiaries when required. If the trustee becomes a nonresident at any time, I will promptly notify the withholding agent.

☐ **Estates — Certification of Residency of Deceased Person:**

I am the executor of the above-named person's estate. The decedent was a California resident at the time of death. The estate will file a California fiduciary tax return and will withhold on foreign and domestic nonresident beneficiaries when required.

CERTIFICATE: Please complete and sign below.

Under penalties of perjury, I hereby certify that the information provided in this document is, to the best of my knowledge, true and correct. If conditions change, I will promptly notify the withholding agent.

Vendor/Payee's name and title (type or print) _____ Daytime telephone no. _____

Vendor/Payee's signature ► _____ Date _____

Instructions for Form 590

Withholding Exemption Certificate

References in these instructions are to the California Revenue and Taxation Code (R&TC).

What's New

For purposes of California income tax, references to a spouse, a husband, or wife also refer to a Registered Domestic Partner (RDP) unless otherwise specified. For more information on RDP's, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

General Information

A Purpose

Use Form 590, Withholding Exemption Certificate, to certify an exemption from nonresident withholding. Complete and present Form 590 to the withholding agent. The withholding agent is then relieved of the withholding requirements if the agent relies in good faith on a completed and signed Form 590 unless told by the Franchise Tax Board (FTB) that the form should not be relied upon.

Important – This form cannot be used for exemption from wage withholding. If you are an employee, any wage withholding questions should be directed to the FTB General Information number, (800) 852-5711. Employers should direct their calls to the California Employment Development Department (EDD) at (888) 745-3886 or go to their Website at www.edd.ca.gov.

Sellers of California real estate use Form 593-C, Real Estate Withholding Certificate, not Form 590.

B Requirement

R&TC Section 18662 requires withholding of income or franchise tax on payments of California source income made to nonresidents of California.

Withholding is required on the following, but is not limited to:

- Payments to nonresidents for services rendered in California.
- Distributions of California source income made to domestic nonresident S corporation shareholders, partners and members and allocations of California source income made to foreign partners and members.
- Payments to nonresidents for rents if the payments are made in the course of the withholding agent's business.
- Payments to nonresidents for royalties for the right to use natural resources located in California.
- Distributions of California source income to nonresident beneficiaries from an estate or trust.
- Prizes and winnings received by nonresidents for contests in California.

For more information on withholding and waiver requests, get FTB Pub. 1017, Nonresident Withholding Guidelines. To get a withholding publication see General Information G, Where to get Publications, Forms, and Additional Information.

C Who can Execute this Form

Form 590 can be executed by the entities listed on this form.

For payments made for services of a performing entity, the performing entity or the performing entity's partnership or corporation completes this form. The performing entity's agent or other third party cannot complete this form.

The grantor of a grantor trust shall be treated as the vendor/payee for withholding purposes. Therefore, if the vendor/payee is a grantor trust and one or more of the grantors is a nonresident, withholding is required. If all of the grantors on the trust are residents, no withholding is required. Resident grantors can check the box on Form 590 labeled "Individuals — Certification of Residency."

D Who is a Resident

A California resident is any individual who is in California for other than a temporary or transitory purpose or any individual domiciled in California who is absent for a temporary or transitory purpose.

An individual domiciled in California who is absent from California for an uninterrupted period of at least 546 consecutive days under an employment-related contract is considered outside California for other than a temporary or transitory purpose.

An individual is still considered outside California for other than a temporary or transitory purpose if return visits to California do not total more than 45 days during any taxable year covered by an employment contract.

This provision does not apply if an individual has income from stocks, bonds, notes, or other intangible personal property in excess of \$200,000 in any taxable year in which the employment-related contract is in effect.

A spouse/RDP absent from California for an uninterrupted period of at least 546 days to accompany a spouse/RDP under an employment-related contract is considered outside of California for other than a temporary or transitory purpose.

Generally, an individual who comes to California for a purpose which will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident. For assistance in determining resident status, get FTB Pub. 1031, Guidelines for Determining Resident Status, call the FTB at (800) 852-5711 or (916) 845-6500 (not toll-free).

E What is a Permanent Place of Business

A corporation has a permanent place of business in California if it is organized and existing under the laws of California or if it is a foreign corporation qualified to transact intrastate business by the California Secretary of State. A corporation that has not qualified to transact intrastate business (e.g., a corporation engaged exclusively in interstate commerce) will be considered as having a permanent place of business in California only if it maintains a permanent office in California that is permanently staffed by its employees.

F Withholding Agent

Keep Form 590 for your records. Do **not** send this form to the FTB unless it has been specifically requested.

For more information, contact the Withholding Services and Compliance, see General Information G.

The vendor/payee must notify the withholding agent if any of the following situations occur:

- The individual vendor/payee becomes a nonresident.
- The corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California.
- The partnership ceases to have a permanent place of business in California.
- The LLC ceases to have a permanent place of business in California.
- The tax-exempt entity loses its tax-exempt status.

The withholding agent must then withhold and remit the withholding using Form 592-A, Foreign Partner or Member Quarterly Withholding Remittance Statement, Form 592, Quarterly Nonresident Withholding Statement, and Form 592-B, Nonresident Withholding Tax Statement.

G Where to get Publications, Forms, and Additional Information

You can download, view, and print FTB Pub. 1017 and nonresident withholding forms, as well as other California tax forms and publications not related to nonresident withholding from our Website at www.ftb.ca.gov.

To have publications or forms mailed to you or to get additional nonresident withholding information, contact the Withholding Services and Compliance.

WITHHOLDING SERVICES AND COMPLIANCE
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

Telephone: (888) 792-4900
(916) 845-4900 (not toll-free)
Fax: (916) 845-9512

Assistance for persons with disabilities:

We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments call TTY/TDD (800) 822-6268.

Asistencia bilingüe en español

Para obtener servicios en español y asistencia para completar su declaración de impuestos/formularios, llame al número de teléfono (anotado arriba) que le corresponde.

Specific Instructions

Private Mail Box. Include the Private Mail Box (PMB) in the address field. Write the acronym "PMB" first, then the box number.

Example: 111 Main Street PMB 123.